

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF PENDLETON COUNTY)	
WATER DISTRICT FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY TO)	CASE NO.
CONSTRUCT AND FINANCE AND)	2000-151
IMPROVEMENTS PROJECT)	

O R D E R

On April 25, 2000, Pendleton County Water District ("Pendleton District") applied for a Certificate of Public Convenience and Necessity to construct a \$1,946,958 waterworks improvement project and for approval of its plan for financing the project. The proposed project will provide a source of water for the City of Butler and will serve approximately 50 new customers. Project funding is a \$1,000,000 Community Development Block Grant, an \$856,660 Economic Development Administration Grant, a \$75,238 loan from the Farmers National Bank located in Butler, Kentucky at 6.56% for 20 years and a \$15,015 contribution from the Applicant.

The proposed project includes the construction of approximately 8.4 miles of 12-inch water transmission main, two master meter vaults, and a 200,000-gallon elevated water storage tank. Plans and specifications for the proposed improvements prepared by PDR Engineers, Inc. of Lexington, Kentucky, have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Public convenience and necessity require that the construction proposed be performed and that a Certificate of Public Convenience and Necessity be granted.

2. The proposed construction consists of approximately 8.4 miles of 12-inch water transmission main, two master meter vaults, and a 200,000-gallon elevated water storage tank.

3. Pendleton District should obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

4. Any deviation from the construction approved should be undertaken only with the prior approval of the Commission.

5. Pendleton District should furnish documentation of the total costs of this project including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed. Construction costs should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

6. Pendleton District shall require construction to be inspected under the general supervision of a professional engineer with Kentucky licensure competent to practice civil or mechanical engineering to ensure that the construction work is done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

7. Pendleton District shall file a copy of the “as-built” drawings and a certified statement that the construction has been satisfactorily completed in accordance with the

contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

8. The proposed loan of \$75,238 from Farmers National Bank is for lawful objects within the corporate purposes of Pendleton District's utility operation, is necessary and appropriate for and consistent with the proper performance of the utility's service to the public, and will not impair its ability for such purpose.

IT IS THEREFORE ORDERED that:

1. Pendleton District is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction project consisting of approximately 8.4 miles of 12-inch water transmission main, two master meter vaults, and a 200,000-gallon elevated water storage tank.

2. Pendleton District is authorized to borrow \$75,238 from Farmers National Bank for 20 years at an interest rate not to exceed 6.56 percent per annum.

3. Pendleton District shall use the proceeds of its proposed loan from Farmers National Bank only for the lawful purposes specified in its application.

4. Pendleton District shall comply with the requirements contained in Findings 3 through 7 as if the same were individually so ordered.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the loan approved herein.

Done at Frankfort, Kentucky, this 16th day of May, 2000.

By the Commission

ATTEST:


Executive Director